



Irish Life Weekly Investment Bulletin

The week that was – WEEK 02 2019 (ending 11/01/2019)

“What you do speaks so loudly that I cannot hear what you say.” – Ralph Waldo Emerson

Irish retail sales rise 3.6% y-o-y in November – According to latest figures from the Central Statistics Office, retail sales volumes rose by 3.6% in November compared with November 2017 but by 1.9% excluding Motor Trades. The sectors with the largest monthly increases were Electrical Goods (+6.8%) and Bars (+4.1%).

Irish unemployment rate in December remains at 10-year low of 5.3% – Latest statistics published by the CSO show the seasonally adjusted unemployment rate for December 2018 remained at a 10-year low of 5.3% (5.3% for females, 5.3% for males and 12.2% for youth). This compares to a rate of 6.2% in December 2017.

Global stock market up 2.7% from 4th January to 11th January – The MSCI AC World TR Index showed a 2.73% return from 1st January to 11th January as relatively reassuring news on both U.S./China trade talks and U.S. rate policy boosted markets. The Vix (CBOE Volatility Index) closed the week lower at 18.19.

Eurozone unemployment falls below 8% for first time in over 10 years – Latest figures from Eurostat show unemployment in the euro area unexpectedly fell to 7.9% in November from 8% in October, the lowest level since October 2008. The lowest rate was the Czech Republic at 1.9% with Greece the highest at 18.6%.

Fed minutes show patience about future U.S. interest rate increases – The release of the minutes of the December meeting of the U.S. Federal Reserve's Open Market Committee showed most members 'patient' about future interest rate increases and a few did not even support the Fed's 0.25% increase in December.

U.S./China trade talks boost markets – Three days of trade talks between U.S. and China officials began on Monday in Beijing with markets agreeably surprised by the attendance of China's vice premier Liu He and some progress on more U.S. purchases by China. Senior-level talks begin in Washington on 30th January.

The Story of the week: A 17-year-old teenager from Utah in the U.S. who was trying to imitate some of the characters in the 'Bird Box' Film (a Sandra Bullock movie where characters are forced to blindfold themselves to escape an apocalypse caused by supernatural beings) by pulling her hat over her eyes really chose the wrong time to do it, when she drifted into oncoming traffic and hit another car. Lt Travis Lyman, the Layton Police chief said "luckily" there were no injuries - but added that he never thought he would have to warn the public not to drive blindfolded.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2014	2015	2016	2017	2018	2019 YTD (to 11/01)
MSCI AC World (Gross TR)	9.9	1.8	9.7	20.4	-7.2	3.5
ISEQ Overall Return	16.8	33.6	-2.7	9.7	-20.5	4.0
FTSE 100 TR	0.7	-1.3	19.1	11.8	-8.5	2.8
Euro Stoxx 50 TR	4.0	6.4	3.7	9.2	-12.0	2.3
S&P 500 TR	13.7	1.4	12.0	21.8	-4.4	3.6
Nasdaq Composite	13.4	5.7	7.5	28.2	-3.9	5.1
Nikkei 225	7.1	9.1	0.4	19.1	-10.2	1.7
MSCI Emerging Markets	2.6	-8.0	7.1	27.8	-12.2	2.8
Eurozone Government Bonds 1–5 yr	3.4	1.0	0.9	-0.2	0.0	0.0
Sovereign 10yr Bond Yields (%)	2014	2015	2016	2017	2018	2019 YTD
U.S.	2.2	2.2	2.4	2.4	2.7	2.7
German	0.5	0.6	0.2	0.4	0.2	0.2
UK	1.9	1.9	1.2	1.2	1.3	1.3
Japan	0.3	0.2	0.0	0.0	0.0	0.0
Ireland	1.3	1.1	0.7	0.7	0.9	0.8
Italy	2.1	1.6	1.8	2.0	2.8	2.8
Greece	9.6	7.9	7.1	4.1	4.4	4.3
Portugal	2.7	2.5	3.8	1.9	1.7	1.7
Spain	1.6	1.7	1.4	1.6	1.4	1.4
Central Bank Rates (%)	2014	2015	2016	2017	2018	2019 YTD
ECB	0.05	0.05	0.0	0.0	0.0	0.0
Bank of England	0.50	0.50	0.25	0.50	0.75	0.75
U.S. Federal Reserve	0.25	0.50	0.75	1.50	2.50	2.50
Foreign Exchange Rates	2014	2015	2016	2017	2018	2019 YTD
Euro/Dollar (€/\$)	1.21	1.09	1.04	1.20	1.15	1.15
Euro/Sterling (€/£)	0.78	0.75	0.84	0.89	0.90	0.89
Sterling/Dollar (£/\$)	1.56	1.46	1.24	1.36	1.28	1.28
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q3)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q3)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q3)

*Past performance is not a reliable guide to future performance and may fall as well as rise.